

ORIGINAL FILE

ComEd®

An Exelon Company

Commonwealth Edison Company
Enlighten Your World
Three Lincoln Centre
Oakbrook Terrace, IL 60181-4260
Tel. 630-437-2000

ORIGINAL

VIA OVERNIGHT DELIVERY

June 29, 2017

Ms. Elizabeth Rolando
Chief Clerk
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62701

RECEIVED
JUN 30 2017

ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

Subject: First Annual Residential Future Energy Rate Impact Report for Commonwealth Edison Company

Dear Ms. Rolando:

Enclosed for filing with the Illinois Commerce Commission (ICC) on June 30, 2017, is the First Annual Residential Future Energy Rate Impact Report for Commonwealth Edison Company (ComEd) required under the Illinois Public Utilities Act (Act), Section 16-108.15. As required by the Act, subsequent Residential Rate Impact Reports will be filed by February 15th, of each year beginning 2018.

In accordance with Section 16-108.15(c)(1) of the Act, the enclosed report provides information that sets forth the 10-year projection of values of each of the cost and benefit components and calculates the projected average monthly change in residential retail customers' electric bills due to such costs and benefits over the rolling 10-year period. The information pertains to all residential retail customers served by ComEd.

The following table shows the results of the computation for the 10-year projection, on a cumulative year-to-year basis.

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Cumulative Residential Customer Net Cost/(Benefit) (c/kWh)	(1.86)	(1.58)	(1.42)	(1.29)	(1.20)	(1.06)	(0.87)	(0.66)	(0.49)	(0.32)

Ms. Elizabeth Rolando
First Annual Residential Future Energy Rate Impact Report
Page 2

June 29, 2017

The residential cumulative rate impacts are below the \$0.25 limit specified in Section 16-108.15(c)(1) of the Act in each of the projected 10 years. Consequently, ComEd does not intend to propose any decrease to future energy investment costs pursuant to Section 16-108.15(c)(2) at this time.

Enclosed are two copies of this transmittal letter, report, and summary with the detailed information pertaining to the rate impact for residential retail customers served by ComEd (marked "DUPLICATE") for transmission to Mr. David Brightwell (Economic Analyst: Policy Program - Policy Division), Mr. Torsten Clausen (Director of Policy: Policy Division), Ms. Theresa Ebrey (Accountant: Accounting Department - Financial Analysis Division), Ms. Jennifer Morris (Economic Analyst: Policy Division), Mr. Scott Struck (Manager: Rates Department - Financial Analysis Division), and Dr. Jim Zolnierrek (Bureau Chief), all of the Bureau of Public Utilities of the ICC Staff.

In addition, two extra copies of this transmittal letter, report, and summary are provided. One set is provided for your convenience in acknowledging receipt of this letter and enclosures and is to be returned to Commonwealth Edison Company in the enclosed self-addressed, stamped envelope.

Sincerely,



Martin G. Fruehe
Manager Retail Rates
(630) 437-2063

MGF/cms

Enclosures

cc: D. Brightwell
T. Clausen
T. Ebrey
J. Morris
S. Struck
J. Zolnierrek

Commonwealth Edison Company Residential Future Energy Rate Impact Report Summary

Published: June 30, 2017

ComEd Residential Future Energy Rate Impact Report

The First Annual Commonwealth Edison Company Residential Future Energy Rate Impact Report (“ComEd Residential Report”) identifies the projected average changes in the typical residential customer’s energy bills due to future energy investment costs over 10 years, in compliance with 220 ILCS 5/16-108.15 of the Public Utilities Act (“Act”). Rate impacts for residential customers are not to exceed \$0.25 per month annually, based on a year-to-year rolling average, on either an actual or projected basis. As provided in the ComEd Residential Report, the projected average increases in the typical residential customer’s energy bills related to the future energy investment costs, when netted with the associated benefits, do not exceed the \$0.25 per month cap.

The ComEd Residential Report is comprised of three sections:

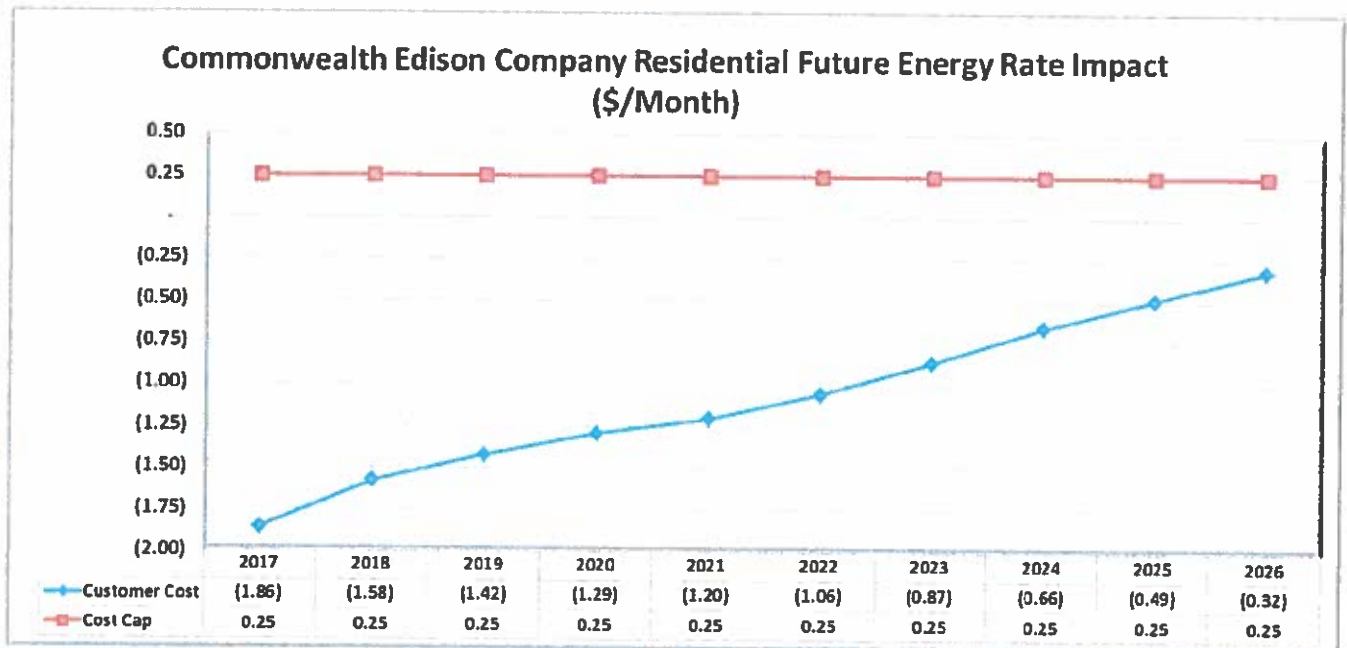
- (1) the energy investment costs, which are the expenditures related to energy efficiency, zero emissions standards, and distributed generation programs;
- (2) the energy savings benefits, which are the energy savings benefits attributable to the implementation of voltage optimization measures less their associated investment costs, in addition to savings benefits for CARE Programs; and
- (3) the value of energy efficiency to residential customers, which is the charge that customers would have paid under ComEd’s prior energy efficiency tariff (Rider EDA – Energy Efficiency and Demand Response Adjustment) with a 4% annual increase.

The sum of the energy investment costs, the energy savings benefits, and the value of energy efficiency is then subtracted from the \$0.25 per month rate cap to calculate the annual amount above or below the cost cap, in dollars per month.

ComEd Residential Future Energy Rate Impact Report

In summary, as demonstrated within the ComEd Residential Report and in the following chart (Exhibit 1), the rolling-average residential monthly rate impacts of future energy investments for residential customers are below the cap of \$0.25 per month, and range from reductions of \$1.86 to \$0.32 per month between 2017 and 2026.

Exhibit 1:



Commonwealth Edison Company Residential Future Energy Rate Impact Report

Pursuant to Public Utilities Act (PUA) Section 16-108.15
Filing Year: 2017 (1)

Year		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Future Energy Investment Costs Components (\$/kWh)											
1	Energy Efficiency Costs (2)	(0.01)	0.01	0.07	0.13	0.17	0.23	0.30	0.38	0.43	0.47
2	Zero Emission Standard (ZES) Costs (3)	0.12	0.20	0.19	0.20	0.20	0.20	0.20	0.20	0.20	0.20
3	Distributed Generation Program Costs (4)	0.00	0.01	0.02	0.03	0.04	0.04	0.05	0.04	0.04	0.02
4	Total Future Energy Investment Costs (\$/kWh)	0.11	0.22	0.28	0.35	0.41	0.47	0.54	0.61	0.67	0.73
5	Total Cumulative Average Future Energy Investment Costs (\$/kWh)	0.11	0.16	0.20	0.24	0.27	0.31	0.34	0.37	0.41	0.44
Future Energy Investment Benefits (\$/kWh)											
6	Voltage Optimization Benefits (5)		(0.01)	(0.02)	(0.04)	(0.05)	(0.05)	0.01	0.01	0.02	0.02
7	CARE Benefit (6)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)				
8	Total Future Energy Investment Benefits (\$/kWh)	(0.03)	(0.04)	(0.05)	(0.07)	(0.08)	(0.05)	0.01	0.01	0.02	0.02
9	Total Cumulative Average Future Energy Investment Benefit (\$/kWh)	(0.03)	(0.03)	(0.04)	(0.05)	(0.05)	(0.05)	(0.04)	(0.04)	(0.03)	(0.03)
10	Total Cumulative Average Future Energy Investment Net Costs and Benefits (\$/kWh)	0.08	0.13	0.16	0.19	0.22	0.25	0.30	0.34	0.38	0.41
11	Average Usage kWh/Month	617	619	614	612	601	601	597	603	601	601
12	Cumulative Future Energy Investment Net Costs and Benefits (\$/month)	0.47	0.80	1.00	1.16	1.32	1.52	1.77	2.03	2.26	2.48
Energy Efficiency Investment Value (\$/month)											
13	Energy Efficiency Value (\$/month) (7)	(2.33)	(2.43)	(2.53)	(2.62)	(2.73)	(2.84)	(2.95)	(3.07)	(3.19)	(3.32)
14	Cumulative Average Energy Efficiency Benefit (\$/month)	(2.33)	(2.38)	(2.43)	(2.48)	(2.53)	(2.58)	(2.63)	(2.69)	(2.74)	(2.80)
15	Total Cumulative Residential Customer Cost per Month (\$)	(1.86)	(1.58)	(1.42)	(1.29)	(1.20)	(1.06)	(0.87)	(0.66)	(0.46)	(0.32)
16	Residential Cost Cap per Month (\$) (8)										
17	Amount Above/Below Cost Cap (\$/month) (9)	(2.11)	(1.63)	(1.67)	(1.54)	(1.45)	(1.31)	(1.12)	(0.91)	(0.74)	(0.57)

Notes

- (1) Values for the current filing year and future years are projected. Values subject to rounding.
- (2) Energy Efficiency Costs means costs incurred by the utility under Sections 8-103, 8-103B and 16-111.5B of the Public Utilities Act (Act), as such costs may be recovered under Sections 8-103, 8-103B, 16-111.5B or 16-108.5 of the Act.
- (3) ZES Costs means costs incurred by the utility under subsection 1.75(d-5) of the Illinois Power Agency Act as such costs may be recovered under subsection 16-108(k) of the Act.
- (4) Distributed Generation Program Costs includes Solar Rebate Program Costs incurred by the utility under Section 16-107.6 of the Act.
- (5) Voltage Optimization Benefits means the net energy savings to residential retail customers that are attributable to the implementation of voltage optimization measures under Section 8-103B of the Act minus the measure costs recovered from those customers, divided by the total number of residential retail customers, which quotient is divided by the months in the relevant period. However, a utility may elect not to include an estimate of net energy savings as described herein, in which case the value of Voltage Optimization Benefits is zero.
- (6) CARE Benefit means the benefits of the programs described in Section 16-108.10 of the Act, which are \$0.00030/kWh.
- (7) Energy Efficiency Value is \$2.33 per month for the 2017 calendar year, increased 4% per year thereafter.
- (8) Rate Cap per Section 16-108.15(b)(3) of PUA.
- (9) The benefits/savings identified in this report are stated values and/or projections made pursuant to and largely limited by the requirements in the Future Energy Jobs Act. There may be broader benefits associated with FEJA investments that are not reflected in this rate impact report, consistent with statutory requirements.